themselves interest and to repay themselves their debt.

This subsequent taxation falls on them all alike in proportion to their ability to pay, or would if the income tax was more equitably imposed; those who have subscribed their fair share to the loans have an offset, in the interest that they receive, against the taxation; those who subscribed less are properly penalised, those who subscribed more are properly benefited. If only the income tax did not make the position of fathers of families so unjust, the whole arrangement would look, at first sight, quite fair, though rather absurd and clumsy, involving all this subscribing and taxing and paying back instead of an outright tax and having done with it. But in fact a very grave inequity is involved by this business of borrowing for war, and laid upon just the people whom we ought, above all, to treat most fairly, namely, those who fight for us. The soldiers and sailors risk their lives for a pittance during the war, while their brothers and sisters and cousins and uncles and aunts, left at home in security and com-fort, earn bloated profits and wages, and put them, or part of them, into War Loans; then when the fighters come back, very likely with their business and connection ruined or lost, they are expected to contribute to the taxation that goes into the pockets

of debt-holders,

Inflation, the third method of paying for war, again produces the same effect of a reduction of consumption by the civilian population, but in a roundabout manner, which works at first without